

**Small Refiner Royalty-in-Kind Program  
Application Evaluation Plan – October 25, 1999**

**Background**

- Applications for the small refiner RIK sale on October 28, 1999, are due on October 15, 1999, and must use Form MMS-4070, "Application for the Purchase of Royalty Oil". The Form MMS-4070 is intended to be a self-certifying document. Therefore, RMP will do only minimal reviews of qualifications.
  - *In discussions with the contracting officer (Janet Camp), the deadline for receiving the applications was extended until October 27<sup>th</sup>. The rationale for this decision was that the applications are just an administrative process to tell RMP who will potentially be bidding on the royalty oil and to give RMP a chance to review the qualifications of the small refiners submitting an application prior to the sale.*
- To qualify as a small refiner for the October 28, 1999, offshore sale, the OCSLA provides in Section 27 that the Small Business Administration (SBA) standards be used to determine refiner eligibility. SBA standards for a small business in the Petroleum Refining Industry are 1) the entity must have less than 75,000 barrels per day refining capability, and 2) the entity must have less than 1,500 employees. SBA defines an entity as the company and all affiliates.
- 30 CFR 208.7 states in: (g) that an eligible refiner must have a refinery in operation or self certify that refinery operations will begin by the first month under the RIK contract, and (h) that an eligible refiner can not have any delinquent balances with MMS.

**Evaluation Criteria**

For each application, review:

- Most recent Oil and Gas Journal report on refineries.
  - Look for crude oil capacity of refinery to ensure it is less than 75,000 barrels per day.
  - Ensure that the applicant has a refinery.
- Dun & Bradstreet Business Abstract Report.
  - Look for number of employees to ensure it is less than 1,500.
  - Review for any other pertinent data.

- Print screens from CRD showing payor status of refinery to ensure that no obligations are outstanding. *Note, the obligation must be past due (greater than 30 days old) and in cases where an obligation is appealed, if a surety has been posted, the amount is not considered outstanding.*
  - Use CORPUP to determine payor/operator code
  - PBALIQ
  - ARIQ
- Review information provided by Department of Energy on small refiners they have dealt with to see if any problems are detected.

Placid Refining Company LLC	50,000	Port Allen, LA	222		
San Joaquin Refining Company, LLC	24,300	Bakersfield, CA	110		
Tenby Inc. dba Oxnard Refinery	4,000	Oxnard, CA	24		
U.S. Oil & Refining Co.	43,500	Tacoma, WA	155		

Applicant Name	Refinery capacity Must be <75,000 bpd.	Refinery Location Must have a refinery.	# of employees Must be <1,500	OGJ verification of capacity Y/N	D&B verification of # of employees Y/N Any additional comments?	CRD verification Any outstanding obligations that are not covered by surety? Y/N	DOE verification Y/N Any additional comments?
American International Refinery, Inc.	30,000	Lake Charles, LA	37				
Calcasieu Refining Company	15,900	Lake Charles, LA	37				
Calumet Lubricants Co., L.P.	10,000 10,000	Princeton, La Cotton Valley, LA	190				
Dolphin Industries, Inc.	10,000	Thomas, OK	?				
Edgington Oil Company	40,000	Long Beach, CA	50				
Frontier Oil and Refining Company	41,000	Cheyenne, WY	0?				
Gary-Williams Energy Corporation (Wynnewood Refining Co.)	52,000	Wynnewood, OK	350				
Huntway Refining Company	6,000 13,000	Wilmington, CA Benicia, CA	87				
Kern Oil & Refining Co.	24,700	Bakersfield, CA	107				
Paramount Petroleum Corporation	46,500	Paramount, CA	232				